GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services - Dr.C.K.Ramesh Kumar, the then I/c Director of Insurance Medical Services, Andhra Pradesh and now Civil Surgeon Specialist (Retired), ESI Hospital, Tirupathi, Chittoor District -Departmental proceedings under Rule 20 of the Andhra Pradesh Civil Services (Classification Control and Appeal) Rules, 1991 - Articles of Charges - Issued.

LABOUR, FACTORIES, BOILERS AND IMS (IMS&VIG) DEPARTMENT

G.O.Rt.No.156 Dated:11.05.2022

Read the following:-

1. From the DG, (V&E) & E.O. Prl. Secy. to Govt. VR.No.1, (C. No.2982/ V&E/Sec.II/D2/2019-1&2&836/V&E/Sec.II/D2/2019-1) Dt.03.01.2020.
2. From the Director of Insurance Medical Services, A.P., Vijayawada Lr. Rc.No.1625923/SM/DIMS/2022, dated:15.03.2022.
3. G.O.Ms.No.11, LFB &IMS (IMS & VIG) Dept., Dt.11.05.2022.

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ORDER:

In pursuance of the sanction accorded by the Government in the reference 3rd read above it is proposed to hold an inquiry against Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS (Retd), ESI Hospital, Tirupathi, Chittoor District in accordance with the procedure laid down in Rule 20 of the Andhra Pradesh Civil Services (Classification, Control and Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed Statement of Articles of Charges(Annexure-I). A statement of imputations of misconduct or misbehavior on which action is proposed to be taken against him is enclosed (Annexure-II). A list of documents by which and a list of witnesses by whom the Articles of charges are proposed to be sustained are also enclosed (Annexure- III&IV).

3. Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS(Retd), ESI Hospital, Tirupathi, Chittoor District is directed to submit within 10 days of the receipt of this Government Order a written statement of his defence and also to state whether he desires to be heard in person.

4. Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS(Retd), ESI Hospital, Tirupathi, Chittoor District is informed that an Inquiry will be held only in respect of those articles of charges are not admitted. He should therefore, specifically admit or deny the each article of charge.

5. Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS (Retd), ESI Hospital, Tirupathi, Chittoor Districts further informed that if he does not submit his written statement of defence on or before the date specified in para-3 above, or does not appear in person before the Inquiry Authority or otherwise fails or refuses to comply with the provisions of Rule 20 of the Andhra Pradesh Civil Services (CCA) Rules, 1991 or the orders/directions issued in pursuance of the said rules, the inquiring authority may hold the inquiry against him exparte.

6. Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS (Retd), ESI Hospital, Tirupathi, Chittoor District is invited to Rule 24 A.P.C.S (Conduct) Rules 1964, under which no Government servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interests in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another person in respect of any matter dealt with in these proceedings it will be presumed that he is aware of such a representation anc that it has been made at his instance and action will be taken against him for violation of Rule 24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964.

7. Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS (Retd), ESI Hospital, Tirupathi, Chittoor District is specifically informed, that this order does not preclude the disciplinary authority to frame fresh charges, if any other irregularities are noticed during the course of disciplinary action.

(P.T.O)

8. The receipt of this Government Order shall be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To
Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS (Retd, ESI Hospital, Tirupathi, Chittoor District through the Director, Insurance Medical Services, Andhra Pradesh, Vijayawada.
Copy to:
The Director, Insurance Medical Services, Andhra Pradesh, Vijayawada with a request to serve the Articles of charge on the individual and furnish the dated ACK. of served copy for record.

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - I

Statement of Article of Charges framed against Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS (Retd, ESI Hospital, Tirupathi, Chittoor District.

That the said Dr. C.K. Ramesh Kumar, CSS, ESI Hospital, Trupathi (Retired) the then I/c Director of Insurance Medical Services, Government of Andhra Pradesh from 06.07.2016 to 01.11.2017, had committed the grave misconduct and irregularities as mentioned in the article of charges.

Article of Charge 1:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services purchased Non RC drugs, Surgicals, lab kits, medical equipments and furniture worth Rs.227.71 Cr at exorbitant rates by violating G.Os. and ESIC guidelines issued from time to time.

Article of Charge 2:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services issued purchase orders for excess rates using fabricated quotations prepared by his own staff with the active collusion of distributors by taking illegal gratification in order to get wrongful personal gain and to share with other vested interests.

Article of Charge 3:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services payments were made from irrelevant HsOA by violating financial code.

Article of Charge 4:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services failed to utilize allotted budget judiciously and procured unnecessary goods & services by exceeding budgetary provisions.

Article of Charge 5:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services failed to follow basic established office procedures like preparation of note files, comparative statement, processing payments through Audit Section, etc.,

Article of Charge 6:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services purchased lab kits / consumables/ reagents, etc., Comes under proprietary category (Hemocue company) from unauthorized entities like Avator, Legend and Omni Medi and paid an amount of Rs. 107. 00 Cr.

Article of Charge 7:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services purchased drugs separately under the guise of emergency drugs under Non RC instead of RC more than indented required at exorbitant rates without going for open by at tenders way of e-procurement.

Article of Charge 8:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services payments were made by giving preference to Non RC companies keeping pendency for RC companies and failed to follow First come first serve' basis.

Article of Charge 9:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services failed to procure drug, surgicals and consumables under State Govt. RC, when a particular drug is not available in ESIC RC as per ESIC guidelines.

Article of Charge 10:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services purchased 100 Biometric machines and three servers worth Rs.73,65,035/-from M/s.ProdigyCotputers& Laptops on liraited quotation without calling for open tenders by way of e-procurement and without any specifications at exorbitant rates than the rate fixed by the Govt. (Rs. 10,266/- for high end unit). The work order was finalized without any comparative statements basing on fake/ fabricated quotations.

Article of Charge 11:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services issued work order worth Rs. 1,94,88,000/- for Sewerage Treatment Plant at ESI Hospital, Tirupati for M/s.Jalam Environmental Pvt., Ltd., without calling open tender and without obtaining prior permission from the Govt. and also failed to enter MoU or agreement with M/s.Jalam Environmental Pvt., Ltd., for the maintenance of Sewerage Treatment Plants in ESI Hospitals and Diagnostic centre.

Article of Charge 12:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services issued work order for call centre simply basing on the recommendation letter of the then Minister without calling for open tender by way of e-Procurement and paid an amount of Rs.4,15,03,525/-without guidelines from ESIC and without any concurrence from Finance Department and payment was made against the No. of Ips (14.00 lakhs) irrespective of calls attended.

Article of Charge 13:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services issued work order of ECG simply basing on the recommendation of the then Minister and paid an amount of Rs.3,80,66,160/.

Article of Charge 14:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services purchased furniture and medical equipment worth Rs. 1.61 Crores for new ESI Hospital building, Visakhapatnam one year in advance without constituting condemnation committee for old articles without forecasting the actual time and need of furniture and hospital equipment.

Article of Charge 15:

That Dr. C.K. Ramesh Kumar while working as Incharge Director of Insurance Medical Services purchased drugs worth Rs.5.19 Cr. from M/s. SKP Enterprises, M/s. Sri SitharamaPharmaceuticlas, Narasaraopet without indents by way of quotations and issued purchase orders by splitting the amount in to 126 purchase orders to avoid e-Procurement

Article of Charge 16:

That Dr. C.K. Ramesh Kumar while working as Medical Superintendent in ESI Hospital, Tirupati, failed to submit the expenditure spent towards emergency purchases to the Director, IMS for ratification.

By his above mentioned acts, he has exhibited lack of integrity, irresponsible towards his legitimate duties, maintaining integrity, devotion to duty and unbecoming ofa Government Servant and hereby violated Rule 3(i)ofthe APCivilServices(Conduct)rules,1964.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE - II

Statement of imputations of misconduct and irregularities in support of Article of Charges framed against Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS(Retired), ESI Hospital, Tirupathi (Retired), Chittoor District.

The Vigilance & Enforcement officials have enquired regarding the misappropriation in the Directorate of Insurance Medical Services, Andhra Pradesh, Vijayawada in procurement of Drugs, Medical Equipment, Biometric Machines, Furniture, engaging the services of call center and ECG Test through M/s. Tale Health Services and establishment of Sewage Treatment plants at 03 Hospitals and one Diagnostic Center through M/s. Jalam Environmental Pvt Ltd., during the tenure of previous three I/c. Directors of Insurance Medical Services i.,e Dr. B. Ravi Kumar (01-11-2014 to 05-07-2016), Dr. C.K. Ramesh Kumar (06-07-2016 to 01-11-2017) and Dr. G. Vijaya Kumar (02-11-2017 to 07-05-2019) and submitted report to the Government. The following are the lapses, irregularities noticed during the enquiry.

1. Being served as Director, Insurance Medical Services he is not fully acquainted with all relevant Acts, Manuals, G.Os and Circulars issued by Government of Andhra Pradesh from time to time. He is not well versed with finance rules, administrative rules and purchase policies of IMS and ESIC. During his tenure he procured drugs under non R.C, surgicals, lab kits, furniture and medical equipment and issued purchase orders worth Rs.227.00 crores, but not followed any of the procedures laid in G.O.Ms. No.489, Finance dt.08.12.2008, guidelines of DG, ESIC, G.O.Ms.No.51, dt.01.06.2010, G.O.Ms.No.51, dt.09.04.2012, G.O.Ms.No.258, dt.20.09.2013, G.O.Ms.No.40, dt.14.02.2014, G.O.Ms.No.2, dt.03.02.2014 and Letter No.U-16/52/2001/Med-II(AP), dt.22.11.2016. Out of Rs.227.72crores, 158.50 Cr worth drugs (Rs. 47.27 Cr Non-RC and Rs. 111.22 Cr RC Drugs). He procured drugs by following limited tender/ Quotation system. He did not follow open tender system by way of e- procurement and purchased some of drugs from the firms registered outside the state in violation of G.O.Ms.No.51 I&C Dated.01.06.2010. He did not constitute Drug Procurement Committee and Tenders Scrutiny Committee and failed to follow G.O.Ms.No.51, Dt.09.04.2012. He procured drugs other than specialist drugs and other than drugs listed in RC contract of ESIC against the provisions laid down in the G.O.Ms.No.51.

The Drugs were purchased from the local Distributors and Dealers instead of Firms, which are in the approved / registered list of ESI Corporation by violating ESIC guidelincs No.U-16/52/2001/Med-III (AP), Dt.22.11.2016 and its Purchase Procedure Guidelines.Purchased directly from the local Distributors/Dealers without following State Rate Contract by violating the ESIC guidelines.

From 2014-15 to 2018-19, the Directors, IMS purchased lab kits / reagents worth Rs.237.03Cr only from three firms viz., M/s. Legend Enterprises, M/s. Avantor Performance Pvt., Ltd., and M/s.Omni Med on nomination basis without going for Open Tenders by way of e-Procurement.

From 2014-15 to 2018-19, the then Directors have issued orders for purchasing of Surgical, Lab Kits and other etc., worth of Rs.265.74 Crores i.e., beyond the budget provisions of Rs.154.42 Crores which is in excess of 72% and made undue favour to Non RC firms by violating Article.4 of AP Financial Code.

Purchased furniture worth Rs.3.48 Cr during the period and issued purchase orders without mentioning specifications of the furniture to be procured. Further, the suppliers also did not mention the specifications of the furniture in their invoices. No Technical Committee/ Purchase Committee have been constituted by the Directors, IMS for purchase of furniture.

There are instructions from ESIC that Emergency Drugs are to be procured from Empanelled Chemists by following the GFR (General Finance Rules) of ESIC norms. But, the he failed to empanel the chemist for procurement of Emergency Drugs and thereby failed

to follow the above guidelines and purchased Emergency drugs from local distributors with Empanelled Chemist. The Govt. authorized Medical Superintendents of ESI Hospitals and Diagnostic Centers for procurement of Life Saving Drugs in emergency with a financial power not exceeding Rs.10,000/- and authorised I/c. Medical Officer of Dispensaries with financial power of not exceedingRs.1,000/-.Though, there is a specific provision for procurement of Emergency and Life Saving Drugs at hospital and diagnostic center level as per G.O.Ms.No.51,LET&F Dept., he purchased ordinary drugs under the guise of Emergency drugs at Directorate level by violating the G.O through Non RC firms.

Drugs purchased through Non RC firms, even though the equivalent drugs are available in RC. On scrutiny of their PO files with ESIC-RC prices / State RC / prices available in online websites like PharmaSahiDaam, etc., it is observed that all Non RC Drugs were purchased at exorbitant rates. In the past five years, an excess amount of Rs.51.02 Cr. (132%) was paid to Non RC firms, when compared with the price of ESIC-RC, etc., The following table clearly shows the year-wise excess amount paid and its percentage:

Sl. No.	Year	Value of the drugs purchased in Non RC	Value of the drugs as per RC	Excess amount paid than the RC price	Excess amount paid in %
1.	2014-15	4,12,52,480	1,77,96,246	2,34,56,234	131.80
2.	2015-16	6,00,42,870	2,31,47,107	3,68,95,763	159.40
3.	2016-17	19,16,02,438	8,10,93,891	11,05,08,547	136.27
4.	2017-18	32,31,82,772	10,82,12,729	21,49,70,045	198.66
5.	2018-19	27,98,07,620	15,54,16,827	12,43,90,793	80.04
		89,58,88,180	**38,56,66,800**	**51,02,21,382**	**132.30**

On comparing the price variation of some of the drugs (sample collection of 20 drugs) between purchase value of some firms and sale value to DIMS, there is huge variation between the purchase value of firm to sale value to ESI. Even after adding the trade margin to price cost @ 20% the variation cost is 60,76,192/-. If the Directors had purchased the above drugs either under RC or Open Tender system through-procurement for the drugs which are not available in RC, huge amount would have been saved to the Government exchequer.

From 2014-15 to 2018-19, purchased drugs at exorbitant rates and paid an excess amount of Rs.51.02 Cr. more to Non Rate Contract firms when compared with the prices of ESIC Rate Contract firms.

From 2014-15 to 2018-19, purchased drugs at exorbitant rates and paid an excess amount of Rs.5.71 Cr. more to Non RC firms when compared with purchase price of M/s. RaasiPharma and M/s. VeereshPharma (Non RC firms) with sale price to DIMS

2. The drugs under Non RC were procured by the directors from Non RC firms (local distributors) without following due procedure of tender system. The Directors and staff of Central Drug Store fabricated the quotations and envelop covers of the quotations to avoid competitive bidding and to favour firms of their choice for person gains and thereby made huge wasteful expenditure in procurement of drugs.

During course of enquiry, randomly secured and some of the distributors,whosupplied drugs under Non RC to DIMS. On examination, they all categorically stated that they supplied Non RC drugs without any tender process. When approached the Directorate, the then Directors advised them to supply medicines by furnishing a list of drugs to be supplied. Accordingly, they submitted quotations by mentioning the prices as furnished by the Pharmacist. The other quotations were fabricated by the Pharmacist and the staff of

Central Drug Store of DIMS. They supplied the required medicines as per purchase orders issued by the Director IMS. They supplied drugs with more than 50% excess price than the RC drugs. They supplied at exorbitant rates to pay bribe amounts to Directors, staff of Central Drug Store. They also stated that they paid bribes to the Directors, staff and the then politicians in getting POs and payments for supply of the Drugs.

No .etters are communicated to the Non RC firms calling for quotations and not aware how the quotations were submitted by firms. He has not gone through the quotations and comparative statements before approving the LI quotation, and he only signed comparative statement without verifying the genuineness of the other quotations said to have been submitted by different firms. The Sr.Assistant, Sri E.RameshBabu submitted note for non RC drugs by mentioning that RC companies are not supplying those drugs but there is no evidence proof in support of the notice. On perusal of envelop covers of quotations submitted by different firms it is noticed that the hand writings on most of the envelop covers seems to be one and the same.

3. In violation of Rules prescribed under AP Budget Manual and the Appropriation Acts passed by the State Legislation, the office of the DIMS purchased items irrespective of the objective head for which budget released. During 2014-15 to 2018-19, an amount of Rs.68.87 Cr deviated from one objective head to other objective head for purchase of items. Year wise and objective head wise details are herewith enclosed. The abstract of deviation of budget and payments from irrelevant Head of Account is as follows:-

Sl. No.	Subject Head	Diverted Head	Amount
1.	Material & Supply - 210 / 211	OOE - 130 / 132	87,70,875
2.	Drugs & Medicines - 210 / 212	OOE - 130 / 132	1,05,68,163
3.	Maintenanc - 270 / 272	OOE - 130 / 132	49,82,527
4.	Maintenance - 270 / 272	Material & Supply - 210 / 211	89,26,924
5.	Drugs & Medicines - 210 / 212	Material & Supply - 210 / 211	12,62,49,363
6.	Material & Supply - 210 / 211	Drugs & Medicines - 210 / 212	52,92,83,116
	TOTAL	68,87,80,968	

4. During the period from 2014-2019 the Directors, issued orders for purchasing of Drugs worth of Rs.698.36 Crores i.e., beyond the budget provisions of Rs.293.51 Crores which is in excess of 140% and thereby caused undue favour to Non RC firms.

The following table shows year wise budget allotted for procurement of drugs and value of purchase orcers issued by the then Directors beyond the budget provision.

Sl. No	Year	Budget provision for procurement of drugs	P.Os issued by the then Directors	RC	P.Os for Non RC	Excess in 140%
1.	2014-15	28.70	36.05	31.71	4.33	7.35
2.	2015-16	40.03	166.06	159.68	6.37	126.03
3.	2016-17	32.89	83.17	62.93	20.23	50.28
4.	2017-18	101.12	149.58	111.41	38.16	48.46
5.	2018-19	90.77	263.50	228.40	35.10	172.73
	Total	293.51	698.36	594.13	104.19	404.85

5. The Drugs are to be purchased on ESIC Rate Contract from Rate Contract Holders invariably. In case of non-supply of drugs by Rate Contract 1st preference Holder (L1), supply order should be placed to firms on 2nd (L2) and 3rd (L3) preferences. But, he purchased Drugs under Non RC by issuing purchase orders to Non RC Distributors Dealers by citing a reason of non-supply of Drugs by RC companies. On verification of PO files, in none of the files, he issued purchase orders to RC companies and simply mentioned in the note files that the RC companies are not supplying the medicines. Thus he violated the ESIC guidelines by mentioning false information in note files.

6. The above Lab kits were purchased by violating G.O.Ms.No.258, Finance (TFR) Dept., Dt.20.09.2013, G.O.Ms.No.2, Finance (Works & Projects-F7) Dept., Dt.03.02.2014 and G.O.Ms.No.40, Finance (TFR) Dept., Dt.14.02.2014. As per G.O. purchase of all materials / articles / goods / products / works / services, etc., shall be procured through e-Procurement, where the cost is more than Rs.1.00 Lakh.

The Director have to purchase Lab equipment / instruments from patented / proprietary companies for conducting Haemoglobin / Glucose / Hormone / WBC / RBC / Liver functioning / Kidney / for complete blood picture in ESI hospitals / dispensaries / diagnostic centres. But, purchased lab equipment / instruments from unauthorised distributors instead of patented / proprietary companies like HemoCue, Biorad, Siemens, Maglumi, Mindray, Benesphera.

The lab kits / chemicals that are being used for conducting various tests in those patented lab equipments / instruments should be purchased from proprietary / patented firm only which supplied the particular lab equipment.
The Directors has to purchase lab kits/chemicals by entering into MOU/agreement with that proprietary firm or from the distributors who is authorised by the proprietary firm.

During the period between 2014-15 to 2018-19, Rs.237.03 Cr. worth lab kits / reagents / consumables were purchased only from three firms (M/s.Avantor Performance India Pvt., Ltd., M/s.Legend Enterprises and M/s.Omni Medi) mentioning that all the above firms are authorised to supply Proprietary / Patented items. But, none of the firms having any authorisation from the Proprietary / Patented firm.

Hemocue, a patented firm stating that Hemocue has not authorised to supply of Hemocue products through M/s.Legend Enterprises, M/s.Avantor Performances Materials Pvt., Ltd., and M/s.Blue Nile Enterprises.Out of 237.03 Cr. payment for lab kits worth Rs.115.00 Cr. were made to those firms from irrelevant Head of Account (HOA).

Some of the lab kits were purchased without entering into MOU / agreement with proprietary firms (HemoCue, Biorad, Siemens, Snibe, Maglumi, Mindray, Benesphera) and purchased from local distributors without any authorisation from those Propriety / Patented firms.

The Lab kits were purchased from the Distributors and Dealers instead of Manufacturing Firms, which are in the approved list of ESI Corporation by violating ESIC guidelines No.U-16/52/2001/Med-III (AP), Dt.22.11.2016 and Purchase Procedure Guidelines of ESIC.On perusal of the purchase orders, the Lab kits were purchased without calling tenders.

During enquiry, it is revealed that Rs.115.00 Cr. worth Lab kits were purchased during 2014-15 to 2018-19 from the firms outside the State in violation of G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010.

During the period 2014-15 to 2018-19, the DIMS purchased Lab kits from M/s.Legend Enterprises worth Rs.68.58 Cr. without calling open tenders and without entering into any MoU or agreements in violation of guidelines. Further out of Rs.68.58 Cr. payment for amount of Rs.22.21 Cr. was paid from irrelevant HOA 210/212 instead of HOA 210/211.

HOA 210/212 is meant for purchase of Drugs against the financial rules and budget manuals.

During the period 2014-15 to 2018-19, the DIMS purchased Lab kits from M/s.Avantor Performance Materials India Ltd., worth Rs.43.32 Cr. without calling open tenders and without entering into any MoU or agreements in violation of guidelines. Further out of Rs.43.32 Cr. payment for amount of Rs.19.85 Cr. was paid from irrelevant HOA 210/212 instead of HOA 210/211. HOA 210/212 is meant for purchase of Drugs against the financial rules anc budget manuals.

During the period 2014-15 to 2018-19, the DIMS purchased Lab kits from M/s.OmniMedi worth Rs. 3.15 Cr. without calling open tenders and without entering into any MoU or agreements in violation of guidelines and the amount was paid from irrelevant HOA 210/212 instead of HOA 210/211. HOA 210/212 is meant for purchase of Drugs against the financial rules and budget manuals.

The above Lab kits / consumables were purchased by violating G.O.Ms.No.51, LET&F Dept., Dt: 09.04.2012. As per the G.O. the Lab kits / consumables are to be procured under Open Tender system by way of e-Procurement by constituting Drug Procurement and Tender Scrutiny Committees.The payments were made by splitting the amount below Rs.5.00 Lakhs for each PO to avoid Open Tender system by way of e-Procurement. This clearly shows that the Directors purchased Lab kits worth Rs.237.03 Cr. only from three companies of their choice by deviating all the relevant G.Os & guidelines.

7. As per the G.O.5 l the Drugs are to be procured under Open system by way of e-Procurement by constituting a Drug Procurement and Tender Scrutiny Committees. The Drugs are to be procured under Non RC only in rarest among the rare cases and only if it is so required. When the cost is more than Rs.1.00 Lakh, purchase of all materials / articles / goods / products / works / services, etc., shall be procured through e-Procurement, as per G.O.Ms.No.2, Finance (Works and Projects F7) Dept. Dt.03.02.2014. As per ESI Corporation guidelines No.U-16/52/2001 /Med-III(AP), Dt.22.11.2016 and Purchase Procedure Guidelines of ESI Corporation the Drugs are to be purchased from the firms, which are in the approved / registered list of ESI Corporation. In case ESIC Rate Contract is not available for particu1ar medicine, then State Government (DIMS) shall procure the drugs & dressings under State Rate Contract and surgical consumables are also to be procured through State Govt. Rate Contract.

The Drugs arc to be purchased on ESIC Rate Contract from Rate Contract Holders invariably. In case of non-supply of drugs by rate Contract 1st preference holder (L1), supply order should be placed to firms on 2nd (L2) and 3rd (L3) preferences.

During enquiry the V&E officials visited the Hospitals, Diagnostic centers and dispensaries and identify huge quantity of drugs (215.69 Crs) supplied by the directors without any indents (194.40 Cr) and also over & above indented items (21.29 Crs) to Hospitals, Dispensaries, Diagnostic Centers and Panel Clinics of Andhra Pradesh.

The above drugs were purchased by violating G.O Ms.No. 51, Dt.09.04.2012. The above Drugs were purchased by violating G.O.Ms.No.255, Finance (TRR) Dept., Dt.20.09.2013, GO.Ms.No. 2, Finance (Works & Projects-F7) Dept., Dt.03.02.2014 and GO.Ms.No. .40, Finance (TFR) Dept., Dt.14.02.2014.

The Drugs were purchased from the local Distributors and Dealers instead of firms, which are in the approved / registered l:st of ESI Corporation by violating ESIC guidelines No. U-16 / 52/2001 /Med-III (AP), Dt.22.11.2016. Purchased directly from the local Distributors / Dealers without following State Rate Contract by violating the ESIC guidelines. Purchased Drugs under Non RC by issuing purchase orders to Non RC Distributors / Dealers by citing a reason of non-supp1y of Drugs by RC complies. On verification of PO files, in none of the files, issued purchase orders to RC companies and simply mentioned in the note files that the RC companies are not supplying the medicines. Thus violated the ESIC guidelines by mentioning false information in note files.

There are instructions from ESIC that Emergency Drugs are to be procured from Empanelled Chemists by following the GFR (General Finance Rules) of ESIC norms. But, failed to empanel the chemist for procurement of Emergency Drugs and thereby failed to follow the above guidelines and purchased Emergency drugs from local distributors with Empanelled Chemist.

The Govt. authorised Medical Superintendents of ESI Hospitals and Diagnostic Centers for procurement of Life Saving Drugs in emergency with a financial power not exceeding Rs.10,000/ - and authorized I/c. Medical Officer of Dispensaries with financial power of not exceeding Rs.1 ,000/-. Though, there is a specific provision for procurement of Emergency and Life Saving Drugs at hospital and diagnostic center level as per G.O.Ms.No.51, LET&.F Dept., purchased ordinary drugs under the guise of Emergency drugs at Directorate 1evel by violating the G.O through Non RC firms.

8. As per ESIC guidelines, the payments to the firms should be made on first come first serve' basis. To avoid and discourage RC companies and to encourage Non RC Distributors/ Dealers, the Directors did not make payments to pending bills of RC companies, which are pending even before bifurcation of AP State. The Directors encouraged Non RC Distributors Dealers by clearing their pending bills without following first come first serve' basis and purchased at exorbitant rates by violating the ESIC guidelines.

The officials examined the rate contract firm to ascertain pending of bills and issue of non-supply, they categorically stated that despite of repeated requests, the Director, IMS, AP did not pay the pending bills. They never submitted reply to Director, IMS for non-availability and non-supply of drugs. The Director, IMS, AP gave preference in payments to Non RC firms and kept their bills pending.

The payment of the drags and dressing to be made on "first come first serve" basis. He failed to follow the norms laid down by the E.S.I. Corporation vide guidelines No. U-16/52/2001/Med-III (AP) dated 22.11.2016 and the guidelines issued by the Government in in G.O.Ms.No.51 LET&F (IMS) Department Dated: 09.04.2012. While settling the pending bills on the principle of FCFS (First Cum First Served), he settled the bills as desired by him during his tenure duly violating the FCFS principle, consequently bills of some other distributors/companies of Rate Contract and Non Rate contract are pending since year 2012. Therefore, he is violating the principle of FCFS and instructions of the Government while making payments to the Distributor/companies concerned without following norms guidelines during his tenures as Purchase Officer & I/c Drawing Officer, O/o DIMS. Therefore for nonpayment to the rate contract firms since long time, the companies are denied to supply the rate contract drugs and hence it is encouragement of Non rate contract purchases, resulting in huge financial loss to state exchequer.

He failed to follow the instructions issued by the Government in G.O.Rt.No.688 LET&F (IMS&VIG) Department dated 28.11.2017, G.O.Rt.No.121 LET&F (IMS&VIG) Department dated 14.03.2018, G.O.Rt. No.199 LET&F (IMS&VIG) Department dated 21.06.2018, G.O.Rt.No.301 LET&F (IMS&VIG) Department dated 05.09.2018, G.O.Rt.No.12 LET&F (IMS&VIG) Department dated 29.01.2019 i.e., subsequent issuance of the specific instructions given by the Government in Memo No.783273/IMS&VIG/2017 dated 28.11.2017 regarding to ensure detailed verification of all the bills presented as per the prescribed norms of ESI corporation and Government of Andhra Pradesh and to ensure verification of stock entries for all supplies made to hospitals/dispensaries both in terms of quality and quantity.

9. As per G.O.51 only Specialist Drugs (Generic), Surgical items, Consumables are to be purchased under Non RC in open tender system by way of e-procurement, but purchased branded (Non generic) Drugs, Surgical, Consumables items, etc., from the selected firms by illegal means without following procedure for procurement through tenders.

10. On 19.06.2017, the then Chief Secretary to Govt., issued a U.O. Note No. GAD-

111022/6/2017-AS-PU1-GAD-01 for installation of biometric attendance devices within two weeks. Basing on the above letter, on 28.06.2017, the then Secretary, LET&F Dept., directed all the HODs under his control including Director, IMS to install the biometric system vide Memo No.642724/1ab.II/A3/2017. On 14.07.2017, the then Secretary to Govt. (Pol) issued U.O.Note No.11022/6/PU-A /2017-7 and directed all Department Secretaries HODs to install the biometric attendance devices and also directed to purchase the devices as per the procedure either from APTS, DGS&D or any other process. The list of suitable biometric devices enclosed to the U.O.Note. Basing on the above letter, the then Secretary, LET&F Dept., directed all the HODs including Dircctor, IMS to install the biomctric system vide Memo No.684281/Lab.II/A3/2017, Dt.25.07.2017.

On 11.09.2017, purchased 100 biometric machines (MANTRA T68) for ESI Dispensaries, Hospitals & Diagnostic centers and paid Rs. 70,670/- per each biometric machine including GST to M/s. Prodigy Computers and Laptops, Hyderabad without going for e-Procurement and payments were made without entering into MoU or Agreement.

M/s. Prodigy Computers and Laptops, Hyderabad supplied devices @ Rs.70,670/- per unit including GST, whereas the Govt. fixed the cost of low end unit @ Rs.8,496/- and cost of high end @ Rs.10,266/- including taxes vide Lr. No. APTS/HWP/N/ AEBAS-RC/2017 Dt. 03.11.2017. On perusal of quotation of M/s. Prodigy Computers and Laptops, it is found that the firm has quoted the price of GPS based Biometric machine including device installation and maintenance. But, on perusal of purchase order issued by DIMS, nowhere they have mentioned installation and maintenance charges, but issued purchase order only for GPS based Biometric machine. On verification of the quotation in the file, the handwriting on the covers of quotations purportedly submitted by different firms is one and the same. During enquiry, on examination, Proprietor of M/s. Prodigy Computers & Laptops admitted that he himself submitted quotations of remaining firms viz., M/s. Hyma Associates, M/s. Arudra Networks, M/s. I Smith Tech Soft Pvt., Ltd., and M/s. Sharp Computers along with his quotation. The Director & staff of IMS connived with the Proprietor of M/s. Prodigy Computers & Laptops and fabricated the quotations to avoid competitive bidding.

G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010 specifies that Govt. Depts., should not buy any of their requirements from outside the state, if they are manufactured and available within the state. The Treasury authorities are requested not to admit the Bills for the orders placed in violation of the orders issued in G.O.Ms.No.1020 Ind. & Corn.(SSI) Dept., Dt:30-11-1976 read with Govt. Memo.No.1541/SSI-A2/93-6 Ind. & Corn. (SSI) Dept., dt:27-5-1994.

M/s. Prodigy Computers & Laptops Pvt., Ltd., secured 100 CUG Airtel SIMs in the name of M/s. Cyber Automobiles Pvt., Ltd., and utilised them for GPS services. Thus, the firm secured 100 CUG Airtel SIMs in the name of another firm instead of in its name and the Director has paid the amount without verifying the same. On examination, the proprietor of M/s. Prodigy Computers & Laptops stated that an amount of Rs.5.00 Lakhs cash as bribe and supplied 02 Laptops, 02 tabs and 02 printers as gratification to Director, Dr. G. Vijaya Kumar. Further, he stated that he incurred an amount of Rs.48,748/- per unit (Rs.29,500/- purchase price including GST, Rs 4,248/- SIM charges, Rs.1,100/- Battery, Rs.8,000/- towards Installation Charges and Rs.5,900/-margin of 20%).

Purchased each unit of GPS based biometric device (MANTRA T68) Rs. 70,670/- including GST. The APTS fixed the price of high end mode of Aadhar Enabled Biometric machine @ Rs.10,266/- including taxes. During enquiry, obtained a quotation from MANTRA Soft Tech (India) Pvt., Ltd., for GPS based biometric device having similar specifications of the device supplied by M/s. Prodigy Computers & Laptops. As per that quotation, the cost of device including GST is Rs.16,992/-.

The following table shows the cost variation (wrongful loss) between the device supplied by M/s. Prodigy Computers & Laptops and M/s. Mantra Soft Tech (India) Pvt Ltd.,

No. of units	Total value including GST for the devices supplied by M/s. Prodigy Computers & Laptops	Total value including GST as per quotation of M/s. Mantra Soft Tech (India) Pvt., Ltd.,	Difference
100	Rs. 70,67,000/-	Rs. 16,99,200/-	**Rs. 53,67,800/-**

11. ESIC agreed to bear the expenditure for disposal of biomedical waste outside the ceiling as per Standard Note of ESI Scheme. In the erstwhile AP, on 24.07.2013, the LET&F Dept. of AP issued G.O.Ms.No.683 permitting the Director (IMS) for establishment of Sewerage Treatment Plants for ESI Hospitals in the State for segregation & bio-gradation of solid / liquid bio-medical and chemical waste disposed particles and hospital waste water and needles and other hazardous wastes which are simply getting diverted into public drain. The G.O. was issued subject to not seeking any funds from the State Govt.

Work order for establishment and maintenance of Sewerage Treatment Plant was given to M/s.Jalam Environment Pvt., Ltd., without calling open tenders and without entering into MoU or agreement. Even for maintenance of STPs no agreement or MOU has been entered. Without prior permission from the Govt. awarded work order for establishment of Sewerage Treatment Plant at ESI Hospital, Tirupathi.

As per AMC work order terms and conditions, the company. should provide 2 to 3 engineers at each plant to work round the clock on shift basis, repairs and maintenance of all the equipment and Chemicals and materials required are to be provided by the firm. Cost of operation and maintenance at each centre is Rs.2,30,000/- per month.

On 16.01.2017, the then Director (IMS), Dr. C.K.Ramesh Kumar issued work order vide R.c.No.246/A/CDS/2017 for establishment of Sewerage Treatment Plant at Tirupati ESI Hospital to M/s. Jalam Environment Pvt., Ltd., Hyderabad. The work order was given for Rs.1,85,60,000/- with the terms and conditions that the operation of the plant is responsibility of hospital.

On 26.09.2017 issued Operation and Maintenance of Sewerage Treatment Plant at ESI Hospital, Tirupathi to M/s. Jalam Environment Pvt Ltd for a period of one year and cost of operation and maintenance of STP @ Rs.2,41,500/- p.m. Further work order for operation and maintenance of those plants was given to the same company @ Rs.28.98 Lakhs per annum (Rs.2,41,500/- per month per unit). For four plants, operation and maintenance value comes to Rs.1.16 Cr per annum.

Paid an amount of Rs.1,94,88,000/- to M/s. Jalam Environment Pvt., Ltd., for setting up of Sewerage Treatment Plants in ESI Hospital, Tirupathi and also paid an amount of Rs.3,49,98,180/- to M/s.Jalam Environment Pvt., Ltd., for maintenance of Sewerage Treatment Plants in ESI Hospitals, Vijayawada, Rajahmundry and Tirupathi and Diagnostic Centre, Adoni. Thus, total amount of Rs.5,44,86,180/- has been paid so far after bifurcation of State.

On field enquiry, it is revealed that M/s.Jalam Environment Pvt., Ltd., only treating hospital toilet waste water and not executing the work of segregation & bio-gradation of solid / liquid bio-medical and chemical waste disposed particles and needles and other hazardous wastes. Hence, the purpose of establishing Sewerage Treatment Plants in ESI is violating the guidelines of G.0.683 of LET&F Dept.,

As per Page No.7 of Standard Note of ESI Scheme, the payment for disposal of biomedical waste can be sharable outside the ceiling. Failed to get permission / intimation to ESIC to establish sewerage treatment plant at Hospitals / Diagnostic Center and to claim the expenditure for such maintenance and unnecessarily paid

the amount within the ceiling and caused loss to the Insured Persons and State Govt. exchequer. If the DIMS have taken prior permission for the above head from the ESIC, the corporation would have borne the expenditure (7/8th share) under sharable expenditure outside the ceiling and reimburse the amount incurred by the state Govt.

As per G.O.Rt.No.683, the Sewerage Treatment Plants should be established for segregation & bio-gradation of solid / liquid bio-medical and chemical waste disposed particles and hospital waste water and needles and other hazardous wastes which are simply getting diverted into public drain.

The Sewerage Treatment Plant located at Diagnostic Center, Adoni was installed by M/s.Jalam Environmental Pvt., Ltd., in the year 2014. The Diagnostic Center was shifted to new premises in October 2017, but the STP is continuing in old premises and it is not in working condition, though the plant is not being used since October 2017, the doctor is giving satisfactory certificate-and paying annual maintenance to M/s.Jalam Environmental Pvt., Ltd., Thus, it is obvious that simply paying the AMC amount to M/s.Jalam Environmental Pvt., Ltd., without verifying the working conditions on the STPs and caused loss to the Govt. exchequer.

Though the working and maintenance of all four STPs are in working and in bad condition, paid monthly maintenance @ Rs.2,41,500/- per unit and so far paid Rs.3,49,98,180/- for maintenance of all the four units without verifying functioning & operation of plants and thereby caused loss to the Govt.

12. Issued work order to M/s. Tele Health Services Pvt Ltd., for providing Toll Free Telehelp Line Services vide Rc.No.5680/A/Plg/2016 and entered into agreement for Toll free Tele Help Line Services Interactive Voice response System implementation, operation, maintenance & support in Insurance Medical Service Department during period of (5) years and @ Rs.1.80 per month for each i.P.

As per MOU the party has to provide I) Toll. Free Number, 2) to address Insured Persons queries relevant to process of filling up applications, supporting documents, status of their applications, benefits, 3) To provide status update for already logged in queries, 4) To provide update on queries to DIMS, 5) Maintenance of call log as receipt of call date and time, details of the caller and issue, 6) Claim the bill @ 1.80 paisa per each Insured Person per month, 7) Automation of Reimbursement payment module and integrate the same with toll free help line for claim ID generation for automatic process of his claim further, 8) Providing update on queries to Directorate, hospitals / dispensaries, 9) Reimbursement Payment module application development, maintenance and claim @ 4,98,500/- per month for five years and 10) Secondary care referrals payments process module application development, maintenance and support and claim @ Rupees 2,97,750/- per month for five years.

The work order for Tele Health Services has been given without any specific guidelines and directions from ESIC, GoI. There is no concurrence from the Finance Dept., AP for issue of work order and there is no Budget Release Order from the Govt. The work order was issued and entered into MoU without calling for open tenders by way of e-Procurement in violation of guidelines / procedures laid in G.O.Ms.No.489, Finance Dt.08.12.2008, guidelines of DG, ESIC, G.O.Ms.No.51,dt.01.06.2010, G.O.Ms.No.258, dt.20.09.2013, G.O.Ms.No.40, dt.14.02.2014, G.O.Ms.No.2, dt.03.02.2014 and Letter No.U-16/52/2001/Med-III(AP), dt.22.11.2016 of ESIC. There is no specific reason for not calling for tenders. Further there is no ratification order from the State Govt. (Administrative Dept / Finance Dept) in having finalisation of the PPC agreement. Failed to verify past experience, income tax & sales tax clearances, project handled details, bidder capacity, etc., and has not taken the above aspects into consideration before entering into PPP agreement.

Paid an amount of Rs.4,15,03,564/- for Call Center to M/s.Tele Health Services without verifying the genuineness of the call logs submitted by them. The payments were

made to M/s.Tele Health Services Pvt., Ltd., against number of IPs (14.00 Lakhs) attached to AP State irrespective of calls attended and IPs data furnished by the Central Govt. On perusal of call logs submitted by M/s.Tele Health Services to Director, IMS, the call center received on an average of 4500 per month. Whereas, in the agreement, the Director, IMS agrees to pay @ Rs.1.80 Ps per each Insured Person per month and the bill shall be to the on total No. of active IPs enrolled in the scheme in a calendar month. Thus the Director entered into agreement to pay amount per IP per month instead of No. of calls attended by the service provider, thereby the Director caused wasteful expenditure to the Govt. If the Director had entered into agreement to pay the bill on No. of calls attended instead of No. of IPs, he would have saved Govt. money.

M/s.Tele Health Services submitted Call Logs for the months January, March and April of 2018 at the time of claiming bills and no submitted Call Logs for the remaining months. When contacted the IPs mentioned in Call Logs randomly over phone, all the IPs are residents of Telangana State. Thus, made payments to M/s.Tele Health Services without verifying the genuineness of the information furnished by M/s.Tele Health Services. Payment for remaining months was made simply basing on the No. of IPs as mentioned in the invoice. For February 2017, M/s.Tele Health Services. claimed an amount of Rs.10,65,600/- for 5,92,000 IPs from March 2017, M/s.Tele Health Services claimed an amount of Rs.20,06,317/- for 11,14,621 IPs. From December 2017, claimed an amount of Rs.25,40,441/- for 14,11,356 IPs. There is sudden increase of No. of IPs between February,2017 and March,2017.

According to ESIC 2.0 Health Reforms, the purpose of Medical helpline facility is that the IP can directly talk to doctor in case of any emergency and seeking guidance. Whereas, issued work order for Toll free services only for medical reimbursement and referral hospital bill claims. As such, the Director, IMS in connivance with the service provider issued work order contrary to the guidelines issued in ESIC 2.0 Health Reforms.

13. Processed the file and issued work order to M/s.Tele Health Services to provide Cardiologist Service with ECG / VHECG Monitoring System without any specific guicelines and directions from ESIC, GoI. There is no concurrence from the Finance Dept., AP for issue of work order. There is no Budget Release Order from the Govt. The work order was issued and entered into MoU without calling for open tenders by way of e-Procurement in violation of guidelines / procedures laid in G.O.Ms.No.489, Finance Dt.08.1.2.2008, guidelines of DG, ESIC, G.O.Ms.No.51, dt.01.06.2010, G.O.Ms.No.258, dt. 20.09.2013, G.O.Ms.No.40, dt.14.02.2014, G.O.Ms.No.2, dt.03.02.2014 and Letter No.U-16/52/2001./Med-III(AP), dt.22.11.16 of ESIC. There is no specific reason for not calling for tenders. Further there is no ratification order from the State Govt. (Administrative Dept / Finance Dept) in having finalisation of the PPC agreement. Failed to verify past experience, income tax & sales tax clearances, project handled details, bidder capacity, etc., and has not taken above aspects into consideration before entering into PPP agreement.

M/s. Tele Health Services did not provide Cardiologist consultation by violating the conditions laid down in the agreement. Paid huge amounts in crores to M/s. Tele Health Services without verifying the qualification of doctors engaged by the service provider and caused loss to the Govt. Even though, M/s.Tele Health Services failed to provide Cardiologist consultancy as per MoU, paid an amount of Rs.480/- per ECG exclusive of service tax. Paid total Rs.3,80,66,160/- to M/s. Tele Health Services without any cardiologist consultation as per agreement.

14. The furniture was purchased by violating G.O.Ms.No.258, Finance (TFR) Dept., Dt.20.09.2013, G.O.Ms.No.2, Finance (Works & Projects-F7) Dept., Dt.03.02.2014 and G.O.Ms.No.40, Finance (TFR) Dept., Dt.14.02.2014. As per G.O. purchase of all materials / articles / goods / products / works / services, etc., shall be procured through e-Procurement, where the cost is more than Rs.1.00 Lakh.

The ESI Hospital, Visakhapatnam has been functioning in a dilapidated building and therefore, the ESI Corporation in consultation with the State Govt. has decided to shift the

hospital into a new private building till ESIC provides a suitable building in place of the present dilapidated building. The Medical Superintendent has placed indent for furniture and medical equipment required in the new building along with the list of unserviceable articles.The then DIMS, Dr.C.K.Ramesh Kumar instead of constituting a condemnation committee to condemn the unserviceable articles before finalising the list of furniture and medical equipment to be purchased, has directly placed the purchase orders and got them supplied at the old dilapidated building. The DIMS procured the same only on quotation basis from the single party in the month of August, 2017 for Rs.1.61 Cr. The building was shifted in the month of April, 2018 and till then, the new furniture was kept in the old building. Thus, the furniture and medical equipment was purchased without forecasting the actual time of need of the furniture and hospital equipment.

15. Purchased drugs worth Rs.5,71,12,825/- without indents from the concerned unit officers in violation of G.O.Ms.to.51. The drugs worth Rs.3,49,20,585/- were purchased from M/s. SAP Enterprises, Vizianagaram and drugs worth Rs.2,21,92,240/-were purchased from M/s.Sri Seetharama Pharmaceuticals,Narasaraopet. Issued 126 purchase orders by splitting the above amount below Rs.5.00 lakhs for each P.O, deviating the rule position and to avoid e-Procurement. On the files of Purchase Orders all the drugs were purchased without calling tenders and even without calling quotations for purchases below Rs. 1.00 lakh

16. Department of Labour, Employment, Training & Factories (IMS) formulated the comprehensive policy guidelines for purchase of Drugs & Medicines and Medical equipment in Insurance Medical Services Department vide G.O.Ms.No.51, Dt.09.04.2012 of LET&F Dept,.

The Govt. authorised Medical Superintendents of ESI Hospitals and Diagnostic Centers for procurement of Life Saving Drugs in emergency with a financial power not exceeding Rs.10,000/-and authorised I/c.Medical Officer of Dispensaries with financial power of not exceeding Rs.1,000/-.

As per Circular Rc. No. 13/CDS/2014, Dt.31.05.2016 of the Director, IMS, the Medical Superintendents of ESI Hospitals are authorised to procure Life Saving medicines locally within the limits. For ESI Hospital Superintendents not exceeding Rs 10,000/- at a time up to Rs. 1,50,000/- per quarter (Rs.6.00 Lakhs per annum). The Medical Superintendents purchased the medicines beyond the above ceiling viz., required for chronic kidney diseases like Cap. Mycofinolate, Tab. Carnitor, Tab. Ditor, Tab. Nephrosave, Tab. Creon and drugs required for cancer disease .ike Tab. Imatinib, Tab.Minoxidil, Tab. Temazolamide, Tab. Everolimus, Tab. Nodosis etc., He purchased non emergency drugs and surgical items, though they are not authorised to purchase. He failed to forward the emergency indents after exceeding the limit of purchase for life saving drugs.

The statement showing the details of purchase of drugs by Medical Superintendent, ESI Hospital, Titupathi beyond his ceiling limits by violating the directions issued by the Director, Insurance Medical Services as shown below:-

Year	200/211 M&S		210/212 D&M		Medical Superintendents worked during that period
	Budget allotted	Purchased	Budget allotted	Purchased	
2014-15	3,00,000	6,63,049	5,25,000	9,18,650	Dr.C.K.Ramesh Kumar Dr.S.K.Abdul Masjid. Dr.K.Bala Shankar Reddy.
2016-17	Nil	6,23,776	6,00,000	14,89,775	
2017-18	Nil	4,79,233	6,00,000	10,70,052	
2018-19	4,00,000	4,98,253	6,00,000	5,68,243	
Total	7,00,000	22,64,311	23,25,000	40,46,720	

From this, it is evident that he has exhibitedlack of integrity, irresponsible towards his legitimate duties, maintaining integrity, devotion to duty and unbecoming ofa Government Servant and hereby violated Rule 3(i) of the AP Civil Services (Conduct) Rules,1964.

Hence, the charges.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - III

List of documents on the basis of which the Article of Charges framed against Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS(Retired), ESI Hospital, Tirupathi, Chittoor District.

1. G.O.Ms.No.258, Finance (TFR) Dept., Dt.20.09.2013.
2. G.O.Ms.No.2, Finance (Works & Projects-F7) Department, Dt.03.02.14.
3. G.O.Ms.No.40, Finance (TFR) Dept., Dt.14.02.2014.
4. G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010.
5. G.O.Ms.No.51, Dt.09.04.2012 of LET&F Dept.
6. Circular No.13/CDS/2014, Dt.31.05.2016 of the Director, Insurance Medical Services
7. Purchase procedure guidelines of ESIC vide LR.NO.U-16/52/2001/MED-III (AP), dt.22.11.2016.
8. Article 3 and 4 of Andhra Pradesh Financial Code.
9. Appendix I of part 3 of Andhra Pradesh Budget Code.
10. Letter Rc. No.37/Stores/JDIMS /KDP/2018 Dt. 07.08.2019 & 01.10.2019 of JD, Kadapa addressed to DIMS.
11. G.O.Ms.No.683 LET&F Dept. Dt. 24.07.2013.
12. Rc.No.246/A/CDS/2017 Dt. 16.01.2017 work order to Jalam for setting up of STP at Tirupathi
13. Lr.No.APTS/HWP/N/AEBAS-RC/2017 Dt. 03.11.2017 of the MD, APTS addressed to the Principal Secretary to Govt. ITE&C Dept.
14. Vigilance Report No. 01 (C.No. 2982/V&E/Sec-II/D2/2019-1,2& 836/DG/V&E/Sec-II/D2/2019) Dt. 03.01.2020 of the Director General (V&E) & E.O. Prl. Secretary to Government, General Administration (Vigilance & Enforcement) Department.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE - IV

List of witness by whom the Article of Charges framed against Dr. C.K. Ramesh Kumar the then I/c Director, Insurance Medical Services now CSS, ESI Hospital, Tirupathi (Retired), Chittoor District.

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G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER